BRIAN HIGGINS

27TH DISTRICT, NEW YORK

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON
SELECT REVENUE MEASURES
SUBCOMMITTEE ON OVERSIGHT

REVITALIZING OLDER CITIES TASK FORCE Co-Chair

GREAT LAKES TASK FORCE

HOUSE CANCER CAUCUS

Congress of the United States House of Representatives

Washington, **DC** 20515-3227

April 9, 2010

David Paterson Governor, State of New York State Capitol Albany, NY 12224

Re: Negative economic impact of halt on construction contracts

Dear Governor Paterson:

I am writing to share my concern about the recent announcement that the New York State Department of Transportation will not enter into contracts for construction until its 2010-11 budget is adopted.

I am concerned that the moratorium on contracts ignores the fact that 50% of the State's transportation budget is derived from federal funding. It is bad enough that jobs and economic progress are held hostage to a state budget impasse; it is unacceptable that the millions in federal aid are held up as well. Every day in Congress I fight for more federal funding for Western New York, especially for high impact projects like the Outer Harbor Parkway, which creates jobs not only in its construction but by unlocking acres of inaccessible waterfront land to development. The Outer Harbor Parkway is one of many projects in Western New York that is threatened by this moratorium despite the millions in federal funding my colleagues and I fought long and hard to dedicate to the project.

This announcement comes at the worst possible time. Last week we received news that the American economy created 162,000 jobs in February, the largest number of new jobs in three years. But as you know our country and our state still have a long way to go to a full recovery from the recession, which began in December 2007. A key theory of the American Reinvestment and Recovery Act is that construction projects create jobs and spur economic activity. Yet the decision to halt construction could delay contracts worth \$412 million in Western New York and \$6.2 billion statewide, and in so doing directly threatens New York's delicate economic recovery.

WASHINGTON OFFICE:
431 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–3306
(202) 226–0347 (FAX)

WESTERN NEW YORK OFFICES: LARKIN BUILDING 726 EXCHANGE STREET SUITE 601 BUFFALO, NY 14210 (716) 852–3501 (716) 852–3929 (FAX)

> FENTON BUILDING 2 EAST 2ND STREET SUITE 300 JAMESTOWN, NY 14701 (716) 484-0729 (716) 484-1049 (FAX) higgins.house.gov

I understand that completing work on New York's budget in the current economic climate poses tremendously difficult challenges. However I urge you to work with other State leaders to lift this moratorium immediately, so that the job creation Congress intended when we directed federal transportation funding to New York is no longer endangered.

Sincerely,

Brian Higgins

Member of Congress

Cc: Stan Gee, Acting Commissioner, NYSDOT